

Pell Grant Protection Act

**Sponsored by Sens. Mazie Hirono (D-HI), Jack Reed (D-RI), and Sheldon Whitehouse (D-RI),
Rep. Rubén Hinojosa (D-TX, Sr. Democrat on Higher Ed/ Workforce Training Subcommittee)**

Bill would convert the Pell Grant to be a mandatory (automatic) spending program like Social Security, and would restore Year-Round Pell grants so students can complete a degree faster

Developed with: National Association of Student Financial Aid Administrators (NASFAA)
Supported by 20+ org's: American Council on Education (ACE), Committee for Education Funding (CEF), Council for Opportunity in Education (COE), U.S. Student Association... (see attached)

Background on the Problem:

- The Pell Grant has historically been the fundamental investment in helping low-income students pay for college and enter the middle class. In 1979-80, the maximum Pell Grant paid for 77% of the Cost of Attendance at an in-state, 4-year college. Today, the maximum Pell Grant covers only about one-third.
- Each year, Congress must allocate funding for Pell grants through the discretionary appropriations process. In recent years, Congress has had to cut Pell eligibility and other ed programs just to barely maintain Pell Grants with a small increase, then flat-line in 2018.
- Congress also ended Year-Round Pell grants, which 1.2 million ambitious college students used in 2010-11 in order to get a degree faster. For example, today a student going fall, spring, summer, and then fall faces a “gap” where they can no longer receive a Pell grant in spring. Research shows these students with a gap are more likely to break their studies, drop out, or default on student loans.

Solution: The Pell Grant Protection Act

- 1. Convert the Federal Pell Grant to a mandatory (automatic) spending program with an inflation adjustment, like Social Security**
 - Amend the Higher Education Act to convert the same total maximum Pell grant in the latest FY14 spending bill (\$5,730 for Academic Year 14-15) into mandatory (automatic) spending.
 - For Academic Year 15-16 and beyond, add a cost-of-living adjustment of CPI-U. Like Social Security's COLA, if this inflation index is ever negative, the grant size won't decrease.
 - Clarify that congressional appropriators can still add “any additional amount” to increase the maximum Pell grant through the appropriations process, if they wish.
- 2. Restore an updated, streamlined version of Year-Round Pell Grants**
 - Allow ambitious, continuously enrolled students to receive Pell grants in back-to-back-to-back academic terms, without a break.
 - Clarify that students are still subject to the 12-semester limit in current law.
 - Reinforce that students would still need to complete a FAFSA each year, and a student's financial situation would continue to affect the size of the Pell grants they get each year.
 - Clarify that additional Pell grants in an academic year only start when the student has completed two pay periods, i.e. fall and spring semester. Previously, ED interpreted Year-Round Pell as beginning after 24 semester credits, or the equivalent.
 - Clarify that for summer “crossover” periods spanning the July 1 “award year” line, the institution can decide whether to apply the payment as part of the first or second award year. Previously, crossover rules were administratively burdensome, and resulted in significant uncertainty for students.

The Pell Grant Protection Act is supported by the following organizations:

American Association of Collegiate Registrars and Admissions Officers (AACRAO)

American Association of Community Colleges (AACC)

American Association of State Colleges and Universities (AASCU)

American Association of University Professors (AAUP)

American Council on Education (ACE)

American Indian Higher Education Consortium (AIHEC)

Association of Jesuit Colleges and Universities (AJCU)

Association of Public and Land-grant Universities (APLU)

Coalition of Higher Education Assistance Organizations (COHEAO)

Center for Law and Social Policy (CLASP)

Committee for Education Funding (CEF)

Council of Independent Colleges (CIC)

Council for Opportunity in Education (COE)

Council for Christian Colleges and Universities (CCCU)

Education Trust

National Association for College Admission Counseling (NACAC)

National Association for Equal Opportunity in Higher Education (NAFEO)

National Association of Independent Colleges and Universities (NAICU)

National Association of State Student Grant and Aid Programs (NASSGAP)

National Association of Student Financial Aid Administrators (NASFAA)

National College Access Network (NCAN)

The Institute for College Access and Success (TICAS)

United Negro College Fund (UNCF)

U.S. Student Association (USSA)

Young Invincibles